## EXHIBIT 35

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## Shea, John D.

From:

Jeff Genereux [jgenereux@alangray.com]

Monday, March 22, 2004 4:06 PM

To:

Shea, John D.

Subject: Dresser

Jack,

Anything from NERA?

Anyway, attached is a quick spreadsheet that I created for the DII / Wagner - Brattle results for tomorrow's 130PM conference call with AIG.

As far as I can tell, the following are relatively true:

- 1. DII Available Agg is 1.04B, Allocated amount is \$254.7M (20% agg), NPV @ 6% is \$237.2M (18.4%).
  2. Wagner Available Agg is 1.04B, Allocated amount is \$160.8M (20% agg), NPV @ 6% is \$143.5M (18.4%).
- 3. Combined Available Agg is 2:074B, Allocated amount is \$415.5M (20% agg), NPV @ 6% is \$380.7M (18.4%).

Comparative AIG amounts are:

- 4. Combined Available Agg is 267.5M\*, Allocated amount is \$75.3M (28% agg), NPV\*\* @ 6% is \$72.5M (27%). \*There is a difference in limits of \$12.5M (2 AHA and 1 NU policy)
- \*\*This is basically a cash deal as \$\$ due now are 99% of ultimate NPV. As such, the NPV % does not really matter in the calculation.
- 5. AIG available limits that attach @ <100M are \$156M of \$267.5M (or of \$245M if that is correct).
- 6. At the bottom of the spreadsheet is a line that reads "Payment Stream @ 7% 04/01/04" that depicts AIG's combined (DII+Wagner) allocated yearly NPV@7%. AIG's \$75.3M allocated under the Brattle model has a combined NPV of \$72.54M. Again, this is virtually a cash deal b/c of the heavy Zanic weighting.
- I then ran five quick alternative payout streams (ALT STREAM 1 through 5) at the bottom of the spreadsheet that allocates between \$100M and \$135M nominal dollars at various payout rates that all achieve +/- \$73M NPV @ 7%. These numbers can be adjusted easily by either increasing/decreasing the nominal dollars and/or accelerating/decelerating the payout timing. These types of payout streams have generally been acceptable to AIG in other cases. (This is not meant to imply that the amounts are recommended – see below).
  - 7. Overall, it appears that the policies in the coverage are being given discounts that result in the policies paying the following approximate percentages of policy limits:

Attach @ 20M-25M:

50%-70%

Attach @ 40M:

38%

Attach @ 50M: Attach @ 100M: 30% 12.65%

Attach @ 150M:

11.95%

AIG could choose to calculate an increase in their nominal dollars in two ways:

- I. Increase allocation model percentages so that all policies increase nominal participation (i.e., policies attaching at 100M could pay 20% of their limits rather than 12.65%; or,
- II. AIG could choose to allocate substantially more dollars to the policies that attach below \$100M and that have been allocated approximately 39% of their limits under the Brattle model - and then reduce amounts allocated to the >100M policies.

Anyway, I have set up a model that will allow AIG to make either of these choices depending on tomorrow's call.

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When I receive the NERA details, I will set up the same type of model.

Let me know if you have any thoughts or suggestions.

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Jeff Genereux Alan Gray, Inc. 617-426-6255 Main 617-598-1514 Direct

03/22/2004

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- Granite State Priv 0010474

	4700000	161 015	189,145	351,080	0.08%	0.000,000,00	17 691	20.664	38,355	052302042		13 190	10,078	0	7,067	14,124	0	٩	55.25			2042		1.0	٥	77.2	1,543	0	1,75	6,036	2042	454								
	10000000		221.248	410,804	0.10%	1102/01/30	71 950	25,620	47,570	06/30/2041		15.31	11,969	0	8.178	15.477	0	۰	12,850		Ì	2041		1,386	٥	947	1.908	0	7 488	7,502	2041									
	1 03/02/01/30	1	243,811	464,974	7,7%	08/30/2040	-	29,926	1.70,72	06/30/2040 0		17.580	13,956	٥	6.314	19.219	٥	٥	15,178			2040	1	1,713	0	27.5	2,359	0	1 863	8,880	i	764								
	94050590	г	274 262	529,896	0.13%	06/30/2039	-	35,667	68,850	06/30/2039 04		20.163	16,108	0	7.209	22,218	•	•	17,637			2039	7697	2,096	0	939	2.891	•	2,365	10,841	2039	666								
	0.6/36/2038	<b>—</b>	305,808	599.670	0.14%	06/30/2038	-	42,178	82,708	06/30/2038 04		22.788	18,503	٥	8,150	25,536	•	-	95.249	ļ		2038		2,552	٥	1,124	3,522	•	2708	13,137	- (	1,205								
	06/30/2037 0	1.	338,810	671,504	0.16%	06/30/2037	<b>-</b>	49,531	98,169	3/30/2037 06		25.514	20,938	0	8,125	28,921	0	0	107.448		-	2037	3.730	3,061	٥	1,334	4,228	0 6	3.355	15,708		1,657								
	06/30/2036 0	Ε	361,980	746,216	0.18%	06/30/2036	⊢	56,091	115,632	06/30/2036 06/30/2037		28.769	24,136	0	9,125	33,377	0	9	124,395			2036	4460	3,740	٥	1,414	9,1/2	0	4.492	19,276	2036	2,175								
	0 6/30/2035		391,633	812,895	0.20%	06/30/2035 0	69.203	64,335	133,538	06/30/2035 06	9100	31,514	26,444	o	8.912	36,573	•		137,410		-	2036	5.177	4,344	٥	1,464	900.4		5.580	22,573	- 1	2,726								
	0 6/30/2034 0	_	413,942	981.800	0.21%		81,465	72.077	153,543	06/30/2034 06	7.00	34,630	40,865	0	9,798	40,586		0 000	163,590			70,7	6.030	7,119	٥	1,706	à	-	6,563	28,485	2034	3,680								
%			443,357	965,159	0.23%		96,306	81,828	178.134		1,00	28,664	54,438	٥	10,733	45,095	0		180,831		-	2033	5.284	10,047	٥	1,981	0.040	-	7,730	33,376	2033	4.614								
DRESSER - AIG SUMMARY OF DII / WAGNER - AIG BRATTLE SS NPV @ 6% 8 7%		555,987	479,782	1,035,769	0.25%		108,768	93,860	202,628	06/30/2032 06/30/2033	2032	28,247	63,523	٥	11,634	96	-	76.076	198,875		-	2032	5.526	12,427	0	2.276	2002	-	8,994	38,906	2032	2735								
LE SS NPV			506,399		0.27%	06/30/2031 0	124,326	105.438	229,764	06/30/2031 06	7031	30,594	59,563	٥	12,522	27.8.50	•	80.069	208,661	•	-	2031	6,345	12,353	٥	2.597	,	0	10,384	42,860	2031	20.0								
DRESSER - AIG NER - AIG BRATT	06/30/2030	• 1	543,303		0.28%	06/30/2030	139,190	119,433	258,623	06/30/2030 06	2030	20,630	57,868	0	13,429	39.400		3	204,565			2030	4.535	12,721	٥	2,952	12,030	-	11,923	44,969	2030	916.								
DRESS AGNER - A		ι.,	583,595		Z.C.O		160,308	135,982	296,250	06/30/2029 04	2029	9,227	66,444	°	14,403	\$3,05¢	5 6	100 63	207,122		-	2029	2,150	15,482	٥	3356	760'51	-	12,581	48,261	2029	6,743								
OF DII / W		749.778	625,176	1,374,954	0.33%			154,405		06/30/2028 0	2028	9.896	63,528	0	15,443	26,832		73.67	188,790		F	2028	2,444	15,690	0	3.0.5	0.00		10,603	45,627	2028	9,040								
SUMMARY		611,127	676,448	1,487,575	0.36%		212,376	177,113	389,490	06/30/2027 0		260	21719	a	18,568	20,000	0	44 583	168,230		-	2027	197	17.666	٥	4,336	200	•	11,673	49,284	2027	10,220								
<b>v</b> ,		856,090	730,382	1,586,462	0.36%		237,586	202.701	440.285	06/30/2026 0	2026	7,073	71.780	0	819/1	05,033	3 6	32 833	192,338		-	2026	1,963	13,921	0	4,945		•	9,112	53,379	2026	068,11								
		902,386	760,523	1,652,909	0.40%		265,452	223,721	489,173	06/30/2025 0	2025	9,637	70,001	0	19,125	500,00	0	30.465	195,722		-	2025	2,635	20,592	٥	5.626	200	•	8,959	57,575	2025	13,5/6								
			н	1,754,823	0.42%		290,932	256,230	547,162		2024	10,157	36.677	0	20,452	33,200	0	30 4 26	138,689			2024	3,570	11,436	0	6,377		,	10.017	43,244	2024	066,01								
	06/30/2023	923,134	569'806	1,831.829	2.45%		305,144		605,516	06/30/2023 06/30/2024	2023	10.570	26.307	0	21,730	9	0	22.733	92,430			2023	3.527	0.696	٥	7,183	5	•	11,147	30,553	2023	0.210								
	ALLOCATED 06/30/2023 96/30/2024	254,567,145	160,812,762	415,479,907	20.03%	NPV\$S	237,178,944	143,466,005	380,666,948 18.35%		Combined	21,313,614	7,873,939	1,259,488	3,634,332	24.340	115,700	44 173 076	75,300,453	ACIONA	-	Combined	20.837.532	7,191,578	1,259,460	3,202,811	20.07.00.00	2 580 107	13,675,757	72,541,085		04/01/04	ALT STREAM!	ALT STREAMS ALT STREAMS	ALT STREAMS	i	ALT STREAM! ALT STREAM2	ALT STREAMS ALT STREAMS	ALT STREAMS	
	•				A 10%					14. c. 14.	Simils		78.74%	12.59%	32.13%	4CD:121	3,79%	790.007	-28.15%	2006	-	% Limits Paid	25.83%	78.74%	12.59%	32.13%	2007	21 50%	20.55%	28.15%		7.00%	* *	1 4	A 4		NPV @ 7%: ALT STREAM! ALT STREAM2	- F	<b>\</b>	
ALLOCATED:					TOTAL % ALLOCATER YR:	i					Optobles   Image	82,500,000	3,10,000,000	10,000,000	11 000 000	0000000	2,000,000	0000000	67,500,000	!		Original Limit	82,500,000	10,000,000	10,000,000	11,000,000	000,000,000	12 000 000 1	50,000,000	267,500,000	:	IREAM (0)	STREAMS:				ž			
TOTAL DOLLARS ALLOCATED: RLARS	AVAIL AGG	1,038,577,009	1.035,629,624	4.306,633	ē	AVAIL AGG	8,677,009	5,629,624	4,306,633	S	Available Aggregate	4,166,666	26,886,886	10,833,334	9,500,000 11,000,000 1132,13%	000,000	200,000	9000 000	T : 302,396,568 - 267,500,000 1 + 28,15%		-	Aggregate Limits Or	54.166.566	₩	-	9.500,000	000'000'00	500,000	-	302,366,868 24		PAYMEN STREAM &	ALIERNATIVE PAYOUT STREAMS:							
TOTAL NOVAHAL DOLLARS	AV	1,03	WAGNER: 1.03	COMBINED: 2.074,306,633	NPV AT R%	AV	DIE 1,038,677,009	WAGNER: 1,03	COMBINED: 2,074,306,633	NOMINAL DOLLARS	A CO She	1	AHA 2	1	SS		NO.			ADV AT AS	L	AG CO.	AIU		4	Atu/GS	1	X X	-	30.			ALIERNAT							

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							DRE	DRESSER - AIG	9	0						
	TOTAL BOLLARS ALLOCATED	3 ALLOCATED			Calario		SOMINARY OF DIT VYAGINER - AIG BRATTER SS INTO ED 68 68 68 68 68 68 68 68 68 68 68 68 68	200	2 0 0 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	% o @ o.u.	8					
NOMINAL DOLLARS	OLLARS		,													
				ALLOCATED 05/30/2043	06/30/2043		06/30/2045 06/30/2046	06/30/2046	06/30/2047	06/30/2048		06/30/2050	06/30/2050 06/30/2051 06/30/2052	06/30/2052	TOTAL	YA.
ö				254,667,145	-1	111,524	31.180	72,086	29.269	44,507	36.275	28.328	22,682	13,727	254,667,148	=
WAGNER	WAGNER: 1.035.629,624			160,812,/62	155,224	113,476	81.924	42.440	996	124	428	0	٥	0	160,812,761	-
COMBINED		TOTAL % ALLOCAPER YR	C.PER YR:	20.03%		0.00%	0.04%	0.03%	0.01%	0.07%	26,703	0.07%	22,682	0.00%	15,479,907	•
NPV AT 6%		200	6.00%	06/30/04									9		*00.00	
	AVAIL AGG			NPVSS	06/30/2043	06/30/2044	06/30/2045	06/30/2046	06/30/2047	05/30/2048	06/30/2049	06/30/2050	06/30/2051	06/30/2052	TOTAL	VAR
ő				237,176,944	13,769	10,843	8,363	862'9	4,839	3,435	2,635	1,942	1,467	637	237.178.944	0
WAGNER	1,035,629,624			143,488,005	15,999	11,616	7,514	3,673	11	56	31	o	٥	٥		0
COMBINED	COMBINED 2,074,306,633			380,656,948	29,767	22,458	15,878	116,8	4,916	3,491	2,667	1,942	1,467	837	380,666,948	0
				18,35%												
NOMINAL BOLLARS	OLLARS	在食養工學學出	<b>海温光</b> 宝		06/30/2043	05/30/2044	OSI3012043 0SI3012044 OSI3012045 OSI3012046 DSI3012047 OSI3012048 OSI3012049 OSI3012050 0SI3012051 OSI3012052	96/30/2046	06/30/2047	96/30/2048	96/30/2049	06/30/2050	16/30/2051	06/30/2052		
2	Available Aggregate Aggregate Aggregate Aggregate	awa Indone	simil.	Combined		2000	2045	2046	2047	2048	2040	2060	2084	2063	į	DOLO AND
2	A4 166 5.65	- 42 FOO DOO	25.879	21313614	11 769	9463	7,163	4 854	2.760	2 091	1 679	1 298	1,042	959	21 212 668	A2 853 100
AHA.	28.868.888			7,873,938	8,266	6,881	5,604	4,380	3.564	2,688	2,188	1.692	1,361	836	7 873 922	21.014.986
BIRM	10,833,334	-	7.2.59%	1,259,488	٥	ō	٥	٥	٥	٥	٥	٥	٥	•	1,259,488	9.573.648
AUVGS	9,500,000		32,13%	3,534,332	5,841	4,639	3,434	2,196	1,041	779	633	481	402	230	3,534,281	5,965,719
SS	000'000'0a		<\$27.05%	24,349,348	11,627	9.874	8,068	6,391	5,255	3,948	3,221	2,509	2,041	1,213	24,349,287	65,650,713
SOP	200,000		%GZ:9 5%	115,700	0	0	0	٥	0	0	0	0	-	0	115,700	384,300
X	16.814,112	12,000,000	%05,12\?\	2,580,107	٥	0	0	0	0	0	0	0	0	۰	2,590,107	14,231,005
N	1. 61,656,668 F 60,000,000 FC 28,55%	£ 60,000,000	%55.82	14,273,926	7,102	5.835	4,852	3,837	3,160	2,376	1,941	1,503	1,222	738	14,273,889	67,302,779
	15 302,366,668 2857,500,000 7728,15%	267,500,000	7.7.58 15%	75,300,453	44,805	36.792	29,120	21,556	15,789	11,862	8,662	7,484	6,077	3,556	75,300,232	227,966,436
NPV AT 6%			6.00%	06/30/04												
	Availabic Aggregate		% Limits	Combined						•						
AIG CO.	Limits	Original Limit	Paid	Altocated	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	TOTAL	BALANCE
Αľ	04,166,666	82,500,000	25.63%	20,637,532	1,213	920	224	629	228	161	122	88	8	66	20,837,532	63,329,134
AHA	26,886,866	_1	- 1	7,191,578	852	699	514	379	281	202	159	116	88	51	7,191,570	21,697,310
BIRM	10,833,334	10.000.000	- 1	1,259,486	٩	0	0	0	0	٥	-	٥	٥	•	1,259,486	9,573,846
AIU/GS	9,500,000	- 1	- 1	3,202,611	602	451	315	190	92	9	46	33	38	7	3.202.611	6,297,369
8	90,000,000	٦,	27.05%	23,678,312	1,219	960	740	993	629	90	234	172	132	7.	23,678,312	86,321,688
gOSI	200,000	2,000,000	5.79%	115,700	٥	ō	٥	•	•	•	٥	٥	٥	o	115,700	384,300
Ě	16,611,112	12,000,000	21.50%	2,580,107	٥	1	0		0	0	•	٥	0	0	2,580,107	14,231,005
2	090,000,10	20,000,000	20.00 %	13.07.07	750			7	007	2		3	6)	6	13,6/9,757	47,990.911
	302.366,660	267,590,000	28.15%	72.54 1,085	B. 6.4	16.6	7,6/1	9/9'	682'1	e e	707	513	383	523	72,541,085	229,825,563
				•	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	TOTAL	
	PAYMEN	PAYMENT STREAM @	7,00%	04/01/04	325	235	164	108	65	46	B	22	16	6	70,682,560	
ALT.	ALTERNATIVE PAYOUT STREAMS:	UI STREAMS:		ALT STREAM!												
				ALT STREAMS ALT STREAMS												
		-	PV@7%:	NPV @ 7%: ALT STREAM1												
			•	ALT STREAM3												

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